

Benefits - Post-1956 Military Service Deposit

This information may apply to you if you performed honorable active duty military service on or after December 31, 1956, in the:

- Army;
- Navy;
- Air Force;
- Marine Corps;
- Coast Guard;
- Regular or Reserve Corps of the Public Health Service after June 30, 1960;
- Commissioned Officer of the National Oceanic and Atmospheric Administrative after June 30, 1961;
- Served as a Midshipman at the U.S. Naval Academy, or Cadet at the U.S. Military Academy, U.S. Air Force Academy, or U.S. Coast Guard Academy, or under active duty orders under the Army or Navy ROTC;
- Active duty in the military reserves during the annual 15-day training camp or cruise which reservists are called upon to attend and for which pay and allowances are received.

National Guard service is not considered military service unless called or drafted into the actual service of the United States under a call by the President, by orders issued under the authority of section 233(d) of the Armed Forces Reserve Act of 1952, or by orders issued under the authority of a provision of title 10 of the U.S. Code.

Military service performed after December 31, 1956, is automatically credited toward Social Security benefits. Such service cannot be simultaneously credited under the Civil Service Retirement System (CSRS) or Federal Employees Retirement System (FERS) unless, before retirement, you pay a deposit to the CSRS or FERS fund.

Amount of Deposit

For CSRS employees, the deposit is 7% of the military earnings, while FERS employees pay 3%. A temporary increase in those percentages applies: in 1999, 7.25% for CSRS and 3.25% for FERS; in 2000, 7.40% for CSRS and 3.40% for FERS.

Interest is charged at the variable rate established annually by the U.S. Treasury if the military service deposit is not paid in full within the 3-year period after you became covered by FERS or CSRS.

Special calculation methods apply to employees covered by the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA). Please contact your servicing Benefits Specialist for additional instructions (BAL 03-105) if USERRA applies to you.

No military service deposit is required for military service performed on or before December 31, 1956.

Federal Employees Retirement System (FERS)

If you were **automatically covered under FERS** on January 1, 1987, or any time thereafter, any active duty military service you performed after December 31, 1956 (post-56) can only be credited in a FERS annuity if you make the deposit.

If you **elected FERS coverage**, and will have a portion of your retirement computed under CSRS rules (also referred to as a CSRS component), then you need to follow the CSRS rules below.

If you **elected FERS coverage**, but will not have a CSRS component to your annuity, then you will follow the FERS rules.

Civil Service Retirement System (CSRS)

If you are **covered by CSRS or CSRS Offset, and were first employed under CSRS before October 1, 1982**, you need to determine whether you will be eligible for a Social Security benefit:

- If you will **never** be eligible for a Social Security benefit, or you become eligible after age 62, you do **not** need to make a deposit for your military service to be credited in your CSRS annuity.
- If you will be eligible for a Social Security benefit when you retire or at age 62, you must make the deposit if you want your post-1956 military service credited in your CSRS annuity.

If you are **covered by CSRS or CSRS Offset, and were first employed under CSRS on or after October 1, 1982**, any active duty military service you performed after December 31, 1956 can only be credited in your CSRS annuity if you make the deposit.

Military Retired Pay

If you are receiving **military retired pay**, you may need to waive your military retired pay and make the deposit for the post-1956 service if you want to credit any of the military service in your CSRS or FERS annuity. Exceptions to the waiver requirement are if the military retired pay was:

- awarded on account of service-connected disability which was incurred in combat with an enemy of the U.S. or caused by an instrumentality of war and incurred in the line of duty during a period of war; or
- awarded under provisions of sections 1331-1337 of chapter 67 of Title 10 U.S. Code, which grants retired pay to members of the reserve components who meet age and service requirements.

While waiver of military retired pay may not be necessary under these exceptions, creditability of the military service is still subject to the rules regarding payment of the post-1956 deposit.

Important Points to Consider:

Making the post-1956 military service deposit is optional, however, please consider these factors:

- Even if you do not plan to retire or leave Federal service soon, you should at least find out how much you earned while you were in the military service so that the deposit can be computed, and you can make an informed decision.
- Making the deposit early in your career avoids the additional interest charges.
- Making the deposit early allows you to choose payroll deduction as an option for payment, rather than waiting until just before you retire, when a lump sum payment would be your only choice.
- The deposit must be paid in full to your agency before you retire. You may not make the deposit after you have retired or separated from Federal service.
- Generally, it would not be financially beneficial to eliminate the military service credit from your annuity calculation as compared to making a relatively small military deposit so that the service is creditable.

Your FIRST STEP:

- Complete the enclosed "[RI 20-97 \(PDF; 315Kb\), Estimated Earnings During Military Service](#)" form.
- Attach a photocopy of your DD-214 or equivalent military discharge record.
- Make a copy for your records.
- Mail it or fax it to the appropriate military finance center for your branch of service as shown on the back of the form.

Your SECOND STEP:

When you receive the completed statement of earnings back from the military finance center, please fax it or mail it to your Benefits Specialist. We will compute the amount of deposit and any applicable interest, and mail this computation to you, along with further instructions on how to make the payment.

If you have any questions, please contact your Benefits Specialist.

Enclosure:

[RI 20-97](#) (PDF; 315Kb), Estimated Earnings During Military Service
